



Job Centers

Regional Context

SEMCOG's 2020 Regional Development Forecast indicates both an increase in population (up 13 percent region-wide) and jobs (up 18 percent region-wide) from 1990 through 2020. The regional forecast includes the City of Detroit, and Wayne, Oakland, Macomb, St. Clair, Livingston and Washtenaw Counties.

As of July 1997, the Detroit labor force was close to 400,000 and the unemployment rate was 9.7%. In comparison, the unemployment rate in Wayne County was 5.8% and the rate in the State of Michigan was 4.5%¹.

Cluster 1 Job Centers Profile

Cluster 1 has a number of thriving retail, institutional and industrial job centers as well as two State-designated Renaissance Zones which offer State and local tax incentives. The Cluster also has ample vacant land, quick access to major east-west and north-south highways, a number of railway lines and close proximity to one of the busiest international border crossings in the US. The Cluster is well served by mass transportation which makes commuting to job centers located in the Cluster easy for Detroit residents. The Cluster is also home to the Detroit City Airport which provides general aviation and commercial passenger service. Finally, the area just south of the Airport is in the Federal Empowerment Zone, which offers tax and financing incentives to qualified businesses.

In 1994, there were about 313,000 jobs in the City of Detroit². Of these more than 22,000 were located in Cluster 1. Only two Clusters in Detroit have a larger job base: Cluster 4 which includes the City's central business district and Cluster 3 which includes the Chrysler Jefferson North Assembly Plant. Cluster 1 has 200 manufacturing employers more than in any other area in the City. The following table details the types of jobs and employers located in Cluster 1:

Table 6: Summary of number of jobs and employers in Cluster 1 and Detroit

Job Classification	# of Jobs Cluster 1 /City of Detroit	# of Employers Cluster 1 /City of Detroit
Agriculture (Incl. food processing)	12/307	3/78
Manufacturing	8,409/57,200	200/931
Transportation, Communication/Utilities	1,390/24,571	37/378
Wholesale	2,585/14,032	151/934
Retail Trade	3,372/29,750	319/2,945
Finance, Insurance and Real Estate	244/19,319	26/649
Services	5,012/136,922	281/3,819
Public Administration	1,207/30,981	24/312
Total	22,231/313,082	1,041/10,046

Recent and Proposed Major Investments in Existing Businesses

A number of businesses have recently made investments to improve or expand their businesses. Map 5 shows recent and proposed investments made in the Cluster.

Job Centers Assets & Opportunities

In an unpublished 1996 survey conducted by the Eastside Industrial Council, Eastside industrial business owners and managers identified taxes and labor recruitment as their biggest challenges. A 1997 study conducted by the Detroit Eastside Community Collaborative and Detroit East Community Development Corporation identified difficulty in assembling land, lack of information about property ownership, and environmental regulations as three of the primary barriers facing developers on the Eastside.

In the focus group and in surveys, Cluster residents identified a number of job centers assets and opportunities that greatly reduce a number of these obstacles. These include: areas designated as Renaissance Zones, ample commercially and industrially zoned land, recent changes in State environmental liability legislation and the large number of existing job centers in the Cluster.

Two Renaissance Zones

Two areas in the Cluster were recently designated by the State of Michigan as Renaissance Zones: the I-94 Industrial Park site and the Lynch Road site. Renaissance Zone designation provides numerous tax benefits to businesses and residents located in the Zone. State single business tax, personal income tax, and the 6-mil State education tax are waived, as are local real and personal property tax on operating mills, local income tax and utility users tax. In addition to tax incentives, the two Renaissance Zones have large areas of vacant land, much of it City-owned. The location of the two Renaissance Zones is shown on Map 3. A summary of the I-94 and Lynch Road Renaissance Zones is shown in table 7.

Table 7. Summary of Renaissance Zones in Cluster 1

	Lynch Road R. Z.	I-94 Industrial Park R. Z.
Current land use	Mix of housing, vacant and industrial land	Mix of housing and vacant land with some industrial uses
Transportation access	Near City Airport and I-94; rail lines cross the site	Near City Airport and I-94; rail lines cross the site
Acres	116.2	289.6
1990 population	824	1,316
Number of housing units	217	480
Number of existing businesses	15	48
Number of employees	217	529
Development potential (City Planning & Development Department recommendations)	Light industrial Medium/heavy industrial*	Regional industrial park with light industrial, medium/heavy industrial and distribution/ warehouse facilities *
Projected new jobs	953	2,256

* Residents do not want any additional heavy industrial businesses to locate in the Cluster.

Large Number of Existing Job Centers

There are a number of thriving job centers in the Cluster. Map 18 identifies the larger job centers in the Cluster. These include: retail job centers (Belmont Shopping Center and Bel Air Shopping Centre); institutional job centers (St. Johns/Holy Cross Hospital and Mound/Ryan Correctional Facilities); and industrial job centers (two Chrysler plants and businesses along the Mt. Elliott industrial corridor).

Active Business Associations

Many of the businesses located in Cluster 1 are members of the Eastside Industrial Council and/or the Northeast Manufacturers Association. The Eastside Industrial Council (EIC) is a network of Eastside firms whose mission is to strengthen Detroit's Eastside through business retention and growth, and workforce and economic development. The EIC, working with the Warren/Conner Development Coalition, has provided labor recruitment assistance to area businesses. This assistance has been in the form of identifying and "pre-qualifying" area residents for job openings. This has not only reduced the hiring costs of the participating businesses, but has also enabled the businesses to employ qualified residents from the neighborhoods near their businesses.

EIC is working with two business associations in the Cluster to assist them in developing their areas as "In-Place Industrial Parks." The concept of an In-Place Industrial Park has been successfully implemented in New York City at the East Williamsburg, East Brooklyn and Sunset Park In-Place Industrial Parks. In these areas, the establishment of In-Place Industrial Parks resulted in better retention of existing businesses, improved city services, discounted utility rates, reduced taxes for local-based employees, tax abatements for land development projects, improved signage, increased security patrols and area maintenance crews. Potential sites for In-Place Industrial Parks in the Cluster include the area along Grinnell east of Van Dyke and the area along Harper and Gratiot south of the City Airport.

Changes in State Environmental Legislation

The State's environmental liability legislation was recently changed and should have the effect of reducing the environmental cost of redeveloping industrial sites. A description of the legislative changes is provided in the environment section of the asset profile.

Abundance of Available Land

Industrially-zoned and commercially-zoned land is available in areas throughout the Cluster. Recent changes in State environmental legislation make much of this land more attractive for redevelopment.

The physical assets of the Cluster taken together with the Renaissance Zone sites, taxing incentives, labor recruitment opportunities and legislative changes, make Cluster 1 an excellent opportunity for business owners looking to relocate to or expand their current Detroit operations.

Job Center Issues

Residents identified two primary issues of concern: a lack of job training/workforce development programs in the Cluster and the need to retain appropriate existing businesses.

“Gaps” in Job Training/Workforce Development Programs

As the socio-economic profile of the Cluster indicates, 45% of Cluster residents did not complete high school. This compares with 38% of residents City-wide. The gap between Cluster residents and the City widens considerably at the college level where approximately 22% of Cluster 1 resident have received some education at the college level, compared with 35% of all Detroit residents. As this data indicate, job training and workforce development programs are critical to ensuring that residents are prepared to fill new and existing jobs in the Cluster.

Participants were concerned that many residents are not adequately prepared to fill higher paying jobs. The Cluster has a limited number of job training and workforce development programs. They are: Davis Aerospace Technical Center; Trombley Alternative High School; and a Detroit Public School Adult Education program. Career Works, in Highland Park, is located just outside of the Cluster, but is easily accessible to many residents. Table 8 summarizes the programs offered in and near the Cluster.

Table 8: Summary of training/workforce development programs.

Name	Location	Program	Requirements
Davis Aeronautical Tech. Center	10200 Erwin	High school diploma, aviation maintenance	Grades 9 -12
Davis Aeronautical Tech. Center	10200 Erwin	2 yr. program;certified as aeronautical mechanic	At least 18 years old must have HS diploma or GED
DPS Adult Education Program	Comprehensive, Health Services 4909 E. Outer Dr	Day and evening ABE/GED classes	Designed for those 20 years and older
Trombley Adult Day High School	7630 Harper	HS Diploma	At least 16 years old
Career Works	1200 E. McNichols	Variety of programs including skilled trades	Varies

Residents would like to see more training facilities in the Cluster, especially those that offer GED, job preparedness, year-around apprenticeships and on-the-job training. Generally, residents would like to see more technology-based, education-related and health care jobs located in the Cluster. Proposed training/workforce development programs should provide training that prepares residents for these types of jobs.

Cluster residents would also like to see entrepreneurial training that encourages the creation of resident-owned and operated businesses. There are a number of large churches in the Cluster. Residents would like to see these churches take a more active role in jobs development through the creation of church-run businesses such as day care centers.

Retain Appropriate Existing Businesses

In addition to attracting new employers, the Cluster needs to retain its existing employers as appropriate. Job training that provides job preparedness skills will assist in this, but there is also a need for successorship planning. This involves planning for the continuation of a business when the owner retires. Successor planning offers a way for Cluster employees to become business owners.

Summary of Job Centers Assets, Opportunities and Issues

Assets	Opportunities and Issues
❖ Large amount of vacant land zoned as industrial and commercial	❖ Develop training programs so that Cluster residents have the skills needed to work in area businesses
❖ Tax incentives for businesses located in the Cluster's two Renaissance Zones	❖ Implement "In-Place Industrial Park" concept to make industrial areas more competitive with suburban sites
❖ A portion of the Cluster is located in the Empowerment Zone	❖ Retain appropriate existing businesses
❖ Large base of existing industrial businesses	❖ Create linkages between non-profit organizations and business associations to facilitate hiring of area residents
❖ Strong transportation infrastructure	❖ Educate new or potential industrial businesses in "waste minimization" and "pollution prevention" techniques that will reduce their costs while allowing them to be "cleaner" neighbors
❖ Active business associations	
❖ Recent changes to State environmental regulations concerning liability issues	

1 Michigan Employment Security Agency, phone interview, September 1997.
2 MESA/SEMCOG, 1994.